

Message Text

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TO AMEMBASSY BUDAPEST PRIORITY

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E.O. 11652:N/A

TAGS: ABLD, AFSP, PFOR, HU

SUBJECT:PROPERTY NEGOTIATIONS

REF: A) BUDAPEST 0045 B) STATE 280550

1.SUMMARY: DEPARTMENT IS WILLING TO PROCEED TOWARD A COMPREHENSIVE SETTLEMENT OF THE PROPERTY DISPUTE AS SUGGESTED IN REF. A. HOWEVER SINCE THE EMBASSY'S PROPERTY REQUESTS, AS STATED IN BUDAPEST 3973 CONSIDERABLY EXCEED IN COST THE AMOUNT WE CAN EXPECT TO RECEIVE FROM THE GOH, THERE WILL NEED TO BE SOME DISCUSSION WITHIN THE USG ON THE EXACT SCOPE OF THE EMBASSY'S REQUIREMENTS BEFORE PRODUCTIVE NEGOTIATIONS WITH THE GOH CAN RESUME. IN THE INTEREST OF MAINTAINING MOMENTUM, AND TO HELP THE EMBASSY GET A MORE DETAILED UNDERSTANDING OF GOH VIEWS ON FURNISHING PROPERTIES AND DESIGN AND CONSTRUCTION SERVICES, THE EMBASSY IS AUTHORIZED TO DISCUSS ITS PRESENT LIST OF PROPERTY PRO-

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POSAL WITH DSD. THE EMBASSY SHOULD EXPLAIN THAT THESE DISCUSSIONS ARE FOR THE PURPOSE OF CLARIFYING THE REQUESTS THAT THE USG WILL SUBMIT DURING THE NEXT ROUND OF NEGOTIATIONS, WHICH WOULD BE HELD IN MARCH END SUMMARY.

2. AS NOTED IN REF B THE DEPARTMENT BELIEVES THAT FURTHER CLARIFICATION OF USG PROPERTY NEEDS IS REQUIRED BEFORE WE

CAN AGREE WITH THE HUNGARIANS ON A TOTAL PROPERTY PACKAGE. WE WOULD HAVE TO KNOW, AT MINIMUM, THE EXACT NUMBER AND SIZES OF THE BUILDINGS WE NEED AND THE PRECISE DETAILS OF THE IMPROVEMENTS WE WANT. THOSE REQUIREMENTS WILL BE REVIEWED BY EUR AND FBO. THE DEPARTMENT WILL THEN MAKE DETAILED COST ESTIMATES FOR THE ACCEPTED PROGRAM AND SCHEDULE THE PROJECTS OVER A FIVE YEAR PERIOD (OR LONGER) IN ACCORDANCE WITH OMB AND DEPARTMENT FUTURE FUND AVAILABILITY ESTIMATES. THE ABOVE PROCEDURES MUST BE FOLLOWED IN ORDER TO DETERMINE THE EXACT SCOPE OF THE SERVICES WE WILL ASK OF THE HUNGARIANS IN THE FORMAL NEGOTIATIONS. WE WILL DO OUR BEST TO EXPEDITE THE PROCEDURE, BUT IT IS STILL LIKELY TO REQUIRE TWO MONTHS.

3. IN VIEW OF THE ABOVE WE BELIEVE IT IS PREMATURE TO OPEN FULL-SCALE PROPERTY NEGOTIATIONS THIS MONTH.

IN THE INTEREST OF MAINTAINING SOME MOMENTUM, AND TO HELP THE EMBASSY GET A MORE DETAILED UNDERSTANDING OF GOH VIEWS ON FURNISHING PROPERTIES AND DESIGN AND CONSTRUCTION SERVICES, THE EMBASSY IS AUTHORIZED TO DISCUSS ITS PRESENT LIST OF PROPERTY PROPOSALS WITH DSD, MAKING IT CLEAR TO DSD THAT THESE DISCUSSIONS ARE FOR THE PURPOSE OF HELPING THE EMBASSY PREPARE ITS REQUESTS FOR PRESENTATION AND JUSTIFICATION TO THE DEPARTMENT. -- I.E. THAT THEY ARE NOT INTENDED TO BE A STATEMENT OF THE USG POSITION IN THE NEXT LIMITED OFFICIAL USE

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ROUND OF NEGOTIATIONS.

4. FOLLOWING THESE DISCUSSIONS WITH THE HUNGARIANS, THE EMBASSY SHOULD DEVELOP THE MOST PRECISE POSSIBLE STATEMENT OF ALL THE PROPERTY REQUIREMENTS IT WOULD PROPOSE TO ASK

OF THE HUNGARIANS. THESE PROPOSALS SHOULD BE IN CONFORMANCE WITH THE JANUARY, 1975 REVISION OF FBO'S ARCHITECTURAL DESIGN CRITERIA AND THE EMBASSY'S OFFICE BUILDING REQUIREMENTS SHOULD BE DETAILED ON FBO FORM 37. DEPARTMENT WILL POUCH THESE DOCUMENTS TO THE EMBASSY IF YOU DO NOT HAVE THEM. THE DEPARTMENT WILL THEN REVIEW THE EMBASSY PROPOSALS AS NOTED ABOVE. IT WOULD BE USEFUL, ALTHOUGH NOT ESSENTIAL, IF THE AMBASSADOR, DCM OR ADMIN OFFICER WERE AVAILABLE TO DISCUSS THESE REQUIREMENTS IN THE DEPARTMENT AFTER INTERESTED OFFICES HAVE HAD SOME TIME TO REVIEW THEM. WE WILL EXPEDITE THE REVIEW AND THE REQUIRED DECISIONS.

5. THE EMBASSY'S DESIRE TO RESOLVE FUTURE PROPERTY REQUIREMENTS AS PART OF THIS NEGOTIATION REQUIRES THE CAREFUL DETAILED FORMULATION OF WHAT OUR PROPERTY RE-

QUIREMENTS ARE AND HOW AND WHEN WE CAN FUND THE ANTICIPATED COSTS BEYOND WHAT THE GOH CAN BE EXPECTED TO PAY. WE BELIEVE IT WOULD BE UNWISE TO CONTINUE FORMAL DISCUSSIONS BEFORE WE ARE AGREED ON WHAT WE REALLY WANT FROM THE HUNGARIANS.

6; IT WOULD BE USEFUL TO HAVE GERTH PARTICIPATE IN THE INFORMAL DISCUSSIONS IF THEY CAN BE ARRANGED FOR NEXT WEEK. CHRISTOPHER

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